



Administration Building

Grandville Public Schools

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December 16, 2008

The Honorable Wayne Kuipers
Michigan Senate, 30th District
1005 Farnum Building
P.O. Box 30036
Lansing, MI 48909-7536

RE: Help Save Grandville Taxpayers \$625,000

Dear Senator Kuipers:

Realizing the hectic pace of your duties, I rarely contact your office unless I believe there is a topic of critical concern impacting Grandville Public Schools. Such an issue now exists and is urgent business before the Michigan Senate.

I am writing to strongly urge you to encourage a vote on HB 4141, sinking fund modification legislation that would allow an expanded use of sinking fund dollars for items such as the purchase of buses and technology equipment/infrastructure.

This legislation will save taxpayers money. Currently, school districts have the ability to issue bonds for the same uses proposed under this legislation. When bonds are issued by a school district, taxpayers are responsible for paying interest charges and related legal costs. With sinking funds there are no interest payments or associated borrowing costs, therefore limiting the districts need to bond and borrow, and reducing overall costs. Additionally, by approving this measure, the local electorate still retains control over future spending regarding these items.

Grandville Public Schools is currently considering going to our voters in May of this year for a \$3.75 million bond proposal to fund technology and bus purchases. This request would result in a .44 mill levy for 5 years and 10 months. The interest on the bonds that Grandville Public Schools' taxpayers would have to pay over this period is \$625,000. Grandville Public Schools is fortunate in that voters approved a ten year renewal of a sinking fund in November 2006. If HB 4141 were approved by the Senate and signed by the Governor, we would in all likelihood forego the bond election and fund technology and bus purchases from our sinking fund. Thus, your support of this legislation would save the taxpayers of Grandville – a school district that you represent – \$625,000!

Attached is information generated by our school district's financial advisor, Stauder, Barch & Associates, Inc. (a firm that represents numerous school districts in the state), detailing the information that I have provided above.

Please support HB 4141 to allow school districts the opportunity to improve long-term planning, make wise use of taxpayer dollars, and equip our schools to better serve our children. Please contact me at (616) 254-6571 if I can answer any questions you may have about this matter.

Respectfully,

Ron Caniff
Superintendent

Enclosure

Preliminary

GRANDVILLE PUBLIC SCHOOLS
COUNTIES OF KENT AND OTTAWA, STATE OF MICHIGAN
PROPOSED 2009 TECHNOLOGY AND BUS BONDS
(GENERAL OBLIGATION - UNLIMITED TAX)

SUMMARY OF PROPOSED BONDING

Table	Amount of New Bonds	Bond Term	Estimated Interest Rate	Estimated Interest		Estimated Project Costs	Ballot Info for New Debt Alone		Maximum Total Mills All Debt	Increase (Decrease) in Debt Levy
				Cost on New Debt			First Year Millage	Average Millage		
Tabl_3a	\$3,770,000	5 yrs, 10 mos	4.25%	\$625,691		\$3,750,000	0.36	0.44	3.35	-1.30

ASSUMPTIONS:

- a current debt levy of 4.65 mills
- Bonds dated June 30, 2009
- Election May 2009
- an annual Taxable Value growth rate of 3%.
- an allowance for delinquency of 5%.
- the use of current excess Debt Retirement Fund balance(s).

NOTATION:

- The interest rates used on the enclosed tables represent conservative rates. If the bonds were sold in the current market, the interest rate would be approximately 0.40% less than shown above. However, due to the fact the bond sale is at least six months away, we recommend using a conservative interest rate when computing the millage impact. Otherwise, if the interest rates rise, the District could be forced to levy a millage over the millage given in the pre-election information.

RJN
7/22/08

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